

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2632 – HB 2728

March 17, 2010

SUMMARY OF AMENDMENT (014889): Deletes the original language of the bill. Authorizes the Tennessee Department of Transportation (TDOT), subject to federal approval, to relocate or reconstruct nonconforming signs adjacent to the new right-of-way when land with a lawful nonconforming sign is acquired for public use. Prohibits relocation of nonconforming signs to land zoned residential. Prohibits the use of state or local funds to relocate or reconstruct nonconforming signs or to reimburse sign owners for such activity. Requires TDOT to compensate owners of nonconforming signs if there is no adjacent property available for relocation. Requires relocated signs to conform to the building codes of any new location, requires local governments to compensate sign owners if relocation sites are in violation of local ordinances.

Requires local government to notify sign owners when any public project requires the removal of conforming signs and to negotiate a site for relocation. Requires local governments to enter into nonbinding arbitration if the sign owner does not agree to relocation within 120 days of notice. Requires local governments to pay one half of arbitration costs if relocation disputes are settled by arbitration. Authorizes local governments to remove or relocate signs through eminent domain if no agreement is reached through arbitration. Exempts any agreements reached prior to the effective date of this legislation.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – Not Significant
Increase State Expenditures – Not Significant

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures – Exceeds \$500,000/Highway Fund

Increase Local Expenditures – Exceeds \$500,000*

Assumptions applied to amendment:

- Sign owners will reimburse TDOT for all expenses incurred during the removal or relocation of nonconforming signs resulting in a not significant net impact to TDOT.

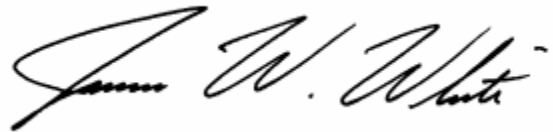
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- According to TDOT, an exact amount to be paid for legal fees, arbitration costs and compensation to sign owners cannot be determined but is estimated to exceed \$500,000 for state and local governments.
- If action required in this legislation would jeopardize federal highway funds, it is assumed that the project would not receive federal approval and would therefore not result in any loss in federal funds.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/agl